



**Special Meeting of the Audit Committee
of the
Connecticut Lottery Corporation**

Held on
Tuesday, July 26, 2022 at 9:00 a.m.
at the
Connecticut Lottery Corporation
777 Brook Street
Rocky Hill, Connecticut 06067

Committee Members: Andrew Meehan, Chair of the Audit Committee; Wilfred Blanchette, Jr.; and John Flores (all via teleconference).

Staff Members: Gregory Smith, President and CEO; Lauren Perrotti; and Annmarie Daigle.

I. Call to Order:

Mr. Meehan called the meeting to order at 9:01 a.m.

II. Approval of April 26, 2022 Audit Committee Meeting Minutes:

On a motion by Mr. Flores and seconded by Mr. Blanchette, the minutes of the April 26, 2022 Audit Committee Special Meeting were unanimously approved.

III. Quarterly Update on Liquidated Damages with SGI:

Ms. Perrotti reported that overall service levels are holding steady with only a slight uptick relating to timing with Sprint and T-Mobile and those issues were resolved by upgrading each digi box that was exclusive to Sprint. Chronic issues remain on the decline and staffing is still where we need it with 10 months left on the contract. SG is currently performing preventive maintenance on vending machines, which is going well.

IV. Compliance Audit Update:

Mr. Smith noted that the compliance audit is now complete, the report is finalized and there were no findings and all prior year items have been addressed.

V. Discussion and Possible Action Re: Financial Auditor Agreement Amendment:

The Committee decided to discuss this item in public session only. Mr. Smith provided the Committee a brief recap noting the two topics that the auditors are needing to expand their services, the auditing of the sports betting division and a new responsibility under GASB87, the

recording and reporting of lease agreements. On a motion by Mr. Blanchette, seconded by Mr. Flores, and unanimously approved, it was:

Resolved, that after due consideration and recommendation from the Finance Committee, the Audit Committee of the Connecticut Lottery Corporation Board of Directors hereby recommends that the Board approve and authorize the CLC President to amend the existing Services Agreement to add services for auditing sports betting and lease reporting requirements under GASB87.

VI. Executive Session:

At 9:12 a.m., on a motion made by Mr. Flores and seconded by Mr. Blanchette, the Committee moved to Executive Session to discuss:

- a. (Discussed in Public Session Only, See Item V Above)
- b. Retail Gaming System Update
- c. Discussion of Procurement Exemption Justification
- d. Review of Audit Committee Areas of Cognizance
- e. Update on Data and Cyber Security

Mr. Smith and Ms. Perrotti were invited to stay for the Executive Session.

VII. Discussion and Action, if any, on Items Discussed during Executive Session:

At 9:32 a.m., the Committee reconvened in public session, with Mr. Meehan noting that no votes or actions took place during Executive Session.

VIII. Adjournment:

Mr. Meehan noted that the next meeting of the Audit Committee is scheduled for October 25, 2022. On a motion by Mr. Blanchette and seconded by Mr. Flores, the Committee adjourned at 9:32 a.m.

Respectfully Submitted:

Melissa Durso
Corporate Secretary
Connecticut Lottery Corporation